



August 1, 2017

Honorable Phil Roe, M.D.  
Chairman  
Committee on Veterans' Affairs  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has completed an estimate of the direct spending and revenue effects of H.R. 3218, the Harry W. Colmery Veterans Educational Assistance Act of 2017, as passed by the House of Representatives on July 24, 2017. CBO's complete cost estimate for H.R. 3218, including discretionary costs, will be provided shortly.

CBO estimates that enacting H.R. 3218 would reduce net direct spending by \$222 million over the 2018-2027 period, primarily through changes to veterans education benefits. (See attached table.) Enacting the legislation would not affect revenues.

Pay-as-you-go procedures apply, because enacting H.R. 3218 would affect direct spending.

CBO estimates that enacting H.R. 3218 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Honorable Phil Roe, M.D

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If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

A handwritten signature in black ink that reads "Mark P. Hoeller for". The signature is written in a cursive style with a long, sweeping underline.

Keith Hall  
Director

Attachment

cc: Honorable Tim Walz  
Ranking Member

**ESTIMATE OF THE EFFECTS ON DIRECT SPENDING BY H.R. 3218, THE HARRY W. COLMERY VETERANS EDUCATIONAL ASSISTANCE ACT OF 2017, AS PASSED IN THE HOUSE OF REPRESENTATIVES ON JULY 24, 2017**

	By Fiscal Year, in Millions of Dollars											2017-	2017-
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2022	2027
<b>INCREASE OR DECREASE (-) IN DIRECT SPENDING</b>													
Reduced Housing Allowances													
Estimated Budget Authority	0	-50	-170	-270	-380	-390	-410	-430	-440	-450	-460	-1,260	-3,450
Estimated Outlays	0	-50	-170	-270	-380	-390	-410	-430	-440	-450	-460	-1,260	-3,450
Increased Benefits for Length of Service													
Estimated Budget Authority	0	0	0	12	74	79	84	89	94	98	103	165	633
Estimated Outlays	0	0	0	12	74	79	84	89	94	98	103	165	633
Additional Education Benefits													
Estimated Budget Authority	0	0	25	75	75	75	100	100	100	100	100	250	750
Estimated Outlays	0	0	6	32	60	69	79	90	94	95	95	167	620
Restoration of Education Benefits													
Estimated Budget Authority	0	50	54	54	58	15	16	17	18	19	19	231	320
Estimated Outlays	0	50	54	54	58	15	16	17	18	19	19	231	320
Eligibility for the Yellow Ribbon Program													
Estimated Budget Authority	0	*	2	2	2	4	17	18	19	20	21	10	105
Estimated Outlays	0	*	2	2	2	4	17	18	19	20	21	10	105
Credit for Reserve Service													
Estimated Budget Authority	0	1	6	7	8	10	11	12	13	13	14	32	95
Estimated Outlays	0	1	6	7	8	10	11	12	13	13	14	32	95
Education Benefits for Purple Heart Recipients													
Estimated Budget Authority	0	1	5	6	6	6	7	7	8	8	8	24	62
Estimated Outlays	0	1	5	6	6	6	7	7	8	8	8	24	62
Transfer of Benefits													
Estimated Budget Authority	0	4	4	4	4	4	5	5	5	5	5	20	45
Estimated Outlays	0	4	4	4	4	4	5	5	5	5	5	20	45
Reserve Education Assistance Program													
Estimated Budget Authority	0	4	5	6	5	5	4	3	1	1	1	25	35
Estimated Outlays	0	4	5	6	5	5	4	3	1	1	1	25	35
Payments for Tests													
Estimated Budget Authority	0	*	*	*	*	*	*	*	*	*	*	1	2
Estimated Outlays	0	*	*	*	*	*	*	*	*	*	*	1	2

(Continued)

TABLE CONTINUED

	By Fiscal Year, in Millions of Dollars												2017-	2017-
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2022	2027	
Monthly Housing Allowance for Activated Reservists														
Estimated Budget Authority	0	*	*	*	*	*	*	*	*	*	*	*	*	1
Estimated Outlays	0	*	*	*	*	*	*	*	*	*	*	*	*	1
Survivors' and Dependents' Educational Assistance														
Estimated Budget Authority	0	0	88	97	105	108	104	106	109	112	113	398	942	
Estimated Outlays	0	0	88	97	105	108	104	106	109	112	113	398	942	
Independent Study														
Estimated Budget Authority	0	1	7	14	15	15	16	17	18	18	19	53	140	
Estimated Outlays	0	1	7	14	15	15	16	17	18	18	19	53	140	
Payments for Reports														
Estimated Budget Authority	0	0	10	10	10	10	10	10	10	10	5	40	85	
Estimated Outlays	0	0	10	10	10	10	10	10	10	10	5	40	85	
Pilot Program for High-Technology Training														
Estimated Budget Authority	0	0	15	15	15	15	15	0	0	0	0	60	75	
Estimated Outlays	0	0	5	11	14	14	14	9	3	0	0	44	70	
Work Study														
Estimated Budget Authority	0	0	0	0	0	*	1	1	1	1	1	*	5	
Estimated Outlays	0	0	0	0	0	*	1	1	1	1	1	*	5	
Funding for State Approving Agencies														
Estimated Budget Authority	0	2	4	5	5	6	6	7	7	8	9	22	59	
Estimated Outlays	0	2	4	5	5	6	6	7	7	8	9	22	59	
Disability Compensations Claims for Mustard Gas or Lewisite														
Estimated Budget Authority	0	4	4	*	*	*	*	*	*	*	*	9	9	
Estimated Outlays	0	4	4	*	*	*	*	*	*	*	*	9	9	
Total changes in Direct Spending														
Estimated Budget Authority	0	17	59	37	2	-38	-14	-38	-37	-37	-42	80	-87	
Estimated Outlays	0	17	30	-10	-14	-45	-36	-39	-40	-42	-47	-20	-222	

Notes: In addition to the budgetary effects shown above, sections 107 and 402 would affect direct spending by insignificant amounts. Enacting H.R. 3218 would not affect revenues. Components may not sum to totals because of rounding; \* = less than \$500,000.